

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Human Resources	(2) MEETING DATE 12/9/2014	(3) CONTACT/PHONE Tami Douglas-Schatz, Human Resources Director 781-5959	
(4) SUBJECT Submittal of a Resolution approving 1) the July 1, 2013 – June 30, 2015 Memorandum of Understanding between the County of San Luis Obispo and the Deputy County Counsel Association (BU12) and 2) amendments to the San Luis Obispo County Employees Retirement Plan Appendices. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board adopt a Resolution approving 1) the July 1, 2013 – June 30, 2015 Memorandum of Understanding (MOU) between the County of San Luis Obispo and the Deputy County Counsel Association (DCCA) (BU12) and 2) amendments to the San Luis Obispo County Employees Retirement Plan Appendices.			
(6) FUNDING SOURCE(S) FC 111 – County Counsel	(7) CURRENT YEAR FINANCIAL IMPACT \$26,891.00	(8) ANNUAL FINANCIAL IMPACT \$24,033.00	(9) BUDGETED? No
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Reviewed by Leslie Brown			
(18) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Tami Douglas-Schatz, Human Resources Director
781-5959

DATE: 12/9/2014

SUBJECT: Submittal of a Resolution approving 1) the July 1, 2013 – June 30, 2015 Memorandum of Understanding between the County of San Luis Obispo and the Deputy County Counsel Association (BU12) and 2) amendments to the San Luis Obispo County Employees Retirement Plan Appendices. All Districts.

RECOMMENDATION

It is recommended that the Board adopt a Resolution approving 1) the July 1, 2013 – June 30, 2015 Memorandum of Understanding (MOU) between the County of San Luis Obispo and the Deputy County Counsel Association (DCCA) (BU12) and 2) amendments to the San Luis Obispo County Employees Retirement Plan Appendices.

DISCUSSION

The Deputy County Counsel Association (DCCA), Bargaining Unit 12 (BU12), represents a total of 10 positions in the County Counsel's Office. DCCA is the exclusive bargaining organization for the job classifications of Deputy County Counsel I, Deputy County Counsel II, Deputy County Counsel III, and Deputy County Counsel IV.

Since June 30, 1984, there has been no MOU between the County and DCCA. Changes to terms and conditions of employment for DCCA members from that time through FY 2006-07 were approved through resolutions to the Board of Supervisors per mutual agreement between the County and DCCA. . Resolutions adopted by the Board of Supervisors completing impasse between the County and the DCCA imposed terms and conditions of employment for FY 2007-08 through FY 2010-11. Because no MOU has existed for an extended time, substantial new language was incorporated into this new MOU to include description of previously established benefits and current terms and conditions of employment for DCCA members.

On March 15, 2013, the parties entered into negotiations for a successor MOU and changes to terms and conditions of employment. After seven (7) negotiation sessions, the parties were able to reach a tentative agreement for a new MOU on June 27, 2014. The County was notified on October 30, 2014 of the ratification of the tentative agreement by DCCA membership. A summary of the major elements are as follows:

Term:

- The DCCA MOU is effective July 1, 2013 to June 30, 2015.

Wages:

- A 0.7% wage increase for all unit members (BU12) retroactive to the pay period including January 1, 2014.
- No additional general salary increase for unit members through the term of the MOU, June 30, 2015.

Pension Provisions:

- The pension contribution rate for the DCCA bargaining unit Tier 1 and Tier 2 members¹ shall increase by 0.48% which represents a 50/50 cost sharing which is retroactive to the pay period that includes January 1, 2014. The County's appropriation rate has also increased by 0.49%.
 - The increase in pension costs commencing the pay period including January 1, 2014 for Tier 1 and

¹ DCCA currently has a pending court challenge to the County's ability to increase employee pension contributions. The language in the MOU references the court challenge and preserves the DCCA's position. The MOU language also includes a provision where the County reserves all rights to respond to any challenges from DCCA on this matter.

- Tier 2 members shall not apply to Tier 3 members.
- Appendix A Tier 1 – Miscellaneous Members Contribution Rates and Appendix A Tier 2 – Miscellaneous Members Contribution Rates reflect the new County appropriation rate and the new Tier 1 and Tier 2 member contributions rates.

Cafeteria Contribution:

- Effective the pay period including July 1, 2014 the County's Cafeteria allowance shall increase by \$50 per month.

"Opt Out" Provisions – Cafeteria:

- Employees Not Enrolled in a County Sponsored Medical Plan: DCCA members who elect to "opt out" of a County-sponsored medical plan on or after January 1, 2015, will no longer receive the cafeteria cash out option. These opt out provisions are the same as those for all unrepresented employees.

Market Wage Study:

- The parties agree to conduct a compensation study and attempt to agree upon:
 - Comparable employers
 - Components of total compensation
 - How to value a particular component of total compensation that will be measured
 - The parties' respective proposal regarding the above factors shall be exchanged on or before March 1, 2015.

Other Benefits:

- A new article added to the MOU identifies other benefits that employees in the DCCA bargaining unit (BU12) have historically received. Those benefits remain unchanged with the following exceptions:
 - Includes a provision that the County shall reimburse unit members for the cost of Bar Dues (State and local). Previously, this was reimbursed through the Education Allowance.
 - Allows individual employees to waive receipt of the current \$851.78 Education Allowance for FY2014-15 in return for a department-purchased tablet computer to be used by the employee. The education allowance shall be reinstated in FY2015-16.

OTHER AGENCY INVOLVEMENT/IMPACT

Representatives from the Administrative Office, County Counsel, Auditor-Controller and the Pension Trust participated in the development of the MOU and Pension Trust contribution rate sheets. County Counsel has reviewed and approved the Resolution and MOU for legal form and effect. The Auditor's Office and Human Resources staff will process the system changes needed to implement these agreements.

FINANCIAL CONSIDERATIONS

Wage Increases:

The 0.7% wage increase, retroactive to the pay period including January 1, 2014, will increase the County's costs by approximately \$5,906 from January 2014 through June 2014. For FY2014-15 the 0.7% wage increase will increase the County's costs by approximately \$11,811.

Pension Rate Increases:

Each year, an actuarial valuation is conducted by the San Luis Obispo County Pension Trust ("Trust") as a measure of the funding status of the Trust. Based on the 2012 report, it was determined that an increased rate of contribution was needed to appropriately fund the Trust. This rate increase was effective the pay period that includes January 1, 2014. Based on this implementation date, the total rate increase for all DCCA employees ("miscellaneous members") was 0.97%. Since January 1, 2014 the County has been paying the full 0.97% increase, the annual cost of which is \$12,318. As agreed to by the parties, the DCCA will share equally in the cost of the increase and pay 0.48%, retroactive to January 1, 2014. This will decrease the County's costs by \$3,048 for the period of January 2014 through June 2014, and on-going by \$6,096 annually.

Cafeteria Increases:

Approval of a Cafeteria allowance increase of \$50 per month (\$600 per year) to all DCCA employees retroactive to the pay period including July 1, 2014, total annual County costs will increase by approximately \$6,000.

Total County costs for FY 2014-15 for wage, cafeteria, and pension increases, including retroactive increases, are approximately \$26,891. The County's annual ongoing costs are approximately \$24,033. Departmental savings will be the

primary source of funding for these changes. To the extent that departmental savings are not available to cover the amount, staff will recommend that your Board authorize a transfer of the deficient amount out of General Fund Contingencies and/or reserves to the departmental operating budget, as needed, as part of the third quarter report. The third quarter is when many such year-end adjustments are made.

RESULTS

Approval of this Resolution establishes a new two (2) year MOU effective July 1, 2013 through June 30, 2015. The terms and conditions outlined in the MOU are consistent with the Board's direction to stabilize the County's overall budget and share in pension rate increases. Approval of this Resolution follows the County's budget policy of a balanced approach to reintroducing resources back into contingencies and reserves, programs and services, and contributes to a results-oriented, well-governed community.

ATTACHMENTS

1. Resolution - DCCA
2. Attachment A - DCCA MOU
3. Appendix A Tier 1 - Miscellaneous Members Contribution Rates
4. Appendix A Tier 2 - Miscellaneous Members Contribution Rates